

Item #	Line	Observation Title	Recommendation	Actions To Date	Completion Date	Next Steps	Completion Status	Results
1	A	Establish a Risk Assessment Process	Ø Establish a formal risk assessment process supported by policies and procedures for recognizing, evaluating, and responding to risks that could affect Cannon Mountain's ability to reach its objectives.	A Risk Assessment Policy has been put in place, to address any potential upcoming risks.	5/1/2016		****	A Risk Assessment Policy (Canon Policy #50) has been put in place, to address any potential upcoming risks. Committee is scheduled to meet in July 2016. Each member of the Committee will provide an assessment of their particular area in management.
	B			Team member safety has become priority #1; Worked to reduce Workers' Comp in FY15			****	
	C			Open door policy and hotline in place to report potential / perceived material risks			****	
	D		Ø Regularly review financial and operational activities for indicators of risk exposure. Establish and monitor controls that appropriately address those risks. Cannon Mountain and Department employees with particular areas of expertise and knowledge of Cannon Mountain operations should participate in the review to ensure that details of operations that may not be obvious to management are appropriately considered.	Risk Assessment and Risk Management Policy in place. Risk assessment review team established that includes members with proper areas of expertise to be sure all details of operations are being appropriately considered. Team members designated. Checklist established	5/1/2017		****	An Operating Committee, made up of all Cannon management, is in place and will conduct an annual assessment. Results of the assessment will be examined by the Committee and assigned to the 10 Teams, or subcommittees, outlined in Cannon Policy #49, for resolutions. Reporting of all activity will be maintained with the Internal Auditor at DRED.
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2	A	Establish Policies and Procedures for all Significant Financial Activities	Ø Establish policies and procedures to support its employees in performing significant financial accounting and reporting activities, including performing and reviewing the collection, recording, and reporting of revenue and compile in a generally accessible and indexed manual or form	Monthly financial statements are being posted to the shared drive repository beginning July 2015. A subfolder was placed under Cannon file to specify Financial Activity. Each monthly posting includes tabs for Retail, Operations, and Totals. Variance analysis to follow.	4/22/2016		****	Cannon and DRED Business Office can review the financial statements, policies, and procedures. Financial Statements are to be posted on the Shared Drive. A range of Procedures were provided and are posted on the Shared Drive. They range from Cashier Training and Ticket Reservations to Group Ticket Sales.
	B		Ø Employees should be trained in the application of the policies and procedures, and management should monitor to ensure that the controls provided by the policies and procedures are consistently applied and remain effective.	All existing Policies and Procedures have been posted to the shared drive repository. These documented practices are updated to reflect that they are current.	4/22/2016		****	DRED Business Office can review these procedures. Documents will be added and updated, as needed, going forward.
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3	A	Reconcile 3 Primary Accounting Systems	Ø Prepare periodic reconciliations of the financial information recorded in its three primary accounting systems.	Confirmed reconciliations with Accounts Receivable.	4/25/2016	Confirmed.	****	Accounts Receivable provided documentation of reconciliation. Documented procedures written and reviewed by Accounting Manager and posted to shared drive under Manual of Policies.
	B		Ø Review and approve reconciliations to ensure they are timely, complete, and accurate with any identified differences appropriately resolved.	Confirmed reconciliations with Accounts Receivable.	4/25/2016	Confirmed.	****	Accounts Receivable provided documentation of reconciliation. Documented procedures written and reviewed by Accounting Manager and posted to shared drive under Manual of Policies.
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4	A	Establish Controls Over Internet Sales Process	Ø Immediately establish controls over the internet payment processing account commensurate with the activity in the account.	Reporting and transfers are conducted by 2 different individuals @ Cannon Business Office, each with their own access. Transfers reviewed by DRED Business Office		Accounts Receivable in the Business Office at DRED is documenting the reconciliation procedure. Access to the Cannon PayPal account will be necessary to conduct a proper reconciliation.	***	Accounts Receivable staff at the Department has been given access to the Cannon PayPal account and a more accurate reconciliation process is being instituted.
	B		Ø Policies and procedures should be established for a regular reconciliation of the activity in the account. The reconciliation should be performed independently of any other responsibility for the account or the activity in the account. The reconciliation should be reviewed and approved by a responsible member of management.	Accounts Receivable in the DRED Business Office documented a reconciliation procedure.		Establish documented procedure with Business Administrator signing off.	***	Accounts Receivable staff at the Department is working with the Cannon Mountain Accounting staff to finalize the procedure for reconciliation.
	C		Ø Department ownership should be exercised over the account. The Department should be identified as the owner of the account and prior employee's names should be removed from the account.		7/1/2016		****	Owners identified. Employee list is current.
	D		Ø Separate user names, passwords, and access authorities should be established for the account to ensure that accountability is established and access is appropriately limited to the users' roles and responsibilities.	Account access has been established properly and will be maintained as such going forward.	1/1/2015		****	
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5	A	Perform Regular and Complete Reconciliations of Clearing Account	Ø Perform a regular and complete reconciliation of its clearing account. All differences identified in the reconciliations should be resolved in a timely manner. The results of the reconciliations should be reviewed and approved by Department financial management to ensure the accuracy and completeness of the credit card revenues included in the reconciliations.	Full clearing account procedure is in place. This is conducted by the Accounts Receivable clerk at the Department.	4/25/2016		****	Reconciliation procedure reviewed by the Accounting Manager and posted on the shared drive under Manual of Procedures.
	B		Ø Establish policies and procedures relative to the proper accounting and reporting of credit card revenues and fees. The policies and procedures should address all of the Department's credit card vendors.	Reconciliation is being performed between NH First and cash collection systems. Procedure approved by Business Administrator.	4/25/2016		****	Reconciliation procedure reviewed by the Accounting Manager and posted on the shared drive under Manual of Procedures.
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6	A	Establish Policies and Procedures for Adjusting Financial Accounts	Ø Establish policies and procedures for proposing and recording financial transactions intended to correct or adjust financial accounts.	Request submitted to DAS FDM group to determine if Cannon Mountain GL entries can be submitted for approval to department business administrator before being approved by Bureau of Accounting.	4/25/2016		****	Drafted document reviewed and approved by the Accounting Manager at the Department.

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	B		∅ Any financial transactions intended to correct a previously recorded account transaction or balance should be subject to appropriate controls, including policies and procedures requiring an effective review and approval control.	Credit card charges are identified by location. All charges are allocated on that basis.	4/25/2016		****	Drafted document reviewed and approved by the Accounting Manager at the Department.
7	A	Monitor Employee Access to Information Systems	∅ Monitor employee access to information systems.	∅ Information systems access department policy has been updated to include a policy specific to the Cannon Location and systems used on site.	11/1/2015		****	Policy #51A in place at the Department
	B		∅ Ensure that all employees are knowledgeable of, and trained in, the application of Department policies relevant to their job responsibilities, including employees involved in controls addressed in Department Policy #51, Initial System Access.	Training personnel for all functions and training for Admin Manager back-up ongoing.	1/27/2016		****	Signature forms are in place stating their security level for access, their agreement to abide by agency information and security policies, and their understanding of information confidentiality. The System Access Requests have been signed by employee and Cannon management. Copies have been provided to the auditor.
	C		∅ All standard roles in the automated control system should be regularly reviewed to ensure they remain appropriate for the jobs defined. All changes to system access, including authorization for the changes, should be documented		1/27/2016		****	A list of all employees, with any involvement in the information systems, has been supplied. This list includes their current level of security within that system and a list of their responsibilities.
8	A	Improve Communication of Financial Information	∅ Improve controls to ensure there is a system for, and expectation of, communication of financial information, especially information that may require management's involvement.	Direct participation in weekly staff meetings for review, updates and resolution on all operational and financial action items now occurs weekly. All documented business communications via memo or email, between the Cannon location and the Department business office, include the Mtn. Manager and the Cannon Office Manager.	3/28/2016		****	Weekly open communications among business staff has been the best control for effective operation.
	B		∅ Review the cause of the credit card processing issue that resulted in the loss of the credit card sales data and revenue and ensure there are policies and procedures in place to timely mitigate any losses should it happen again.	Full Credit Card revenue reconciliation procedure is in place.	3/29/2016		****	Full Credit Card revenue reconciliation procedure is documented.
	C		∅ Review the circumstances that caused a significant revenue control to be unperformed without its notice for half of fiscal year 2014.	Business Administrator reviewed roles and responsibilities within the Business Office. Revenue reconciliation procedure is clearly in place.	3/28/2016		****	Business Administrator has confirmed the procedure. Internal Auditor will audit seasonally.
	D		∅ Improve its control monitoring to ensure that the controls it intends to have in place are operating as designed.	Checklist of business office ongoing priorities in place and reviewed with staff at weekly meetings for update.	6/1/2015		****	Business Administrator has confirmed the procedure. Internal Auditor will audit seasonally.
9	A	Take Advantage of Available Discounts	∅ Identify those invoices offering discounts. Where efficient, Cannon Mountain and the Department should take advantage of available discounts to lessen cost of operations.	Training completed for Cannon office staff.	11/1/2016		****	AP Personnel trained and Internal Auditor has reviewed the invoice processing procedure with Accounts Payable at Department. The total processing time differs between operations invoices and retail invoices. The Internal Auditor will be conducting a quarterly audit, beginning at the conclusion of 1st quarter, FY 2017.
10	A	Record All Financial Activity in the Financial Statements	∅ Generally, all financial activity should be recorded in accounting systems and reported on financial statements, including bartered activity. Participating in unrecorded bartered financial activity increases the risk that the extent of financial activity is not understood, properly controlled, and where required, in compliance with laws and rules, including tax reporting requirements.	Per the Comptroller, a yearly summary of bartered activity will be provided by Cannon to be reported annually for audit prep guide. Provided by Cannon's Marketing Manager.		∅ Ensure that reporting of financial and accounting data from contracted agency will be sent to the Department Business Office for quarterly review. Set up a specific folder in the shared drive. Notify Cannon Accounting Dept of the availability of this folder.	***	Cannon agreed to construct a spreadsheet that outlines the bartered activity, including the name of the business involved, Cannons commitment, commitment of the other party, value of the items involved in the agreement, and the value of Cannon's return on the bartered agreement. List persons involved and signature approvals. Once submitted to Depatmnet Business Administrator for review and approval, will be submitted to DAS.
	B		∅ Consider the appropriateness of the current accounting and financial reporting (including tax reporting) procedures for the external partner and sponsor marketing relationships including the vehicle lease, Lodging Partnership Program, and any other bartered transactions which result in certain Cannon Mountain financial activity to be "off-book".			∅ Ensure that reporting of financial and accounting data from contracted agency will be sent to the Department Business Office for quarterly review. Set up a specific folder in the shared drive. Notify Cannon Accounting Dept of the availability of this folder.	***	Cannon agreed to construct a spreadsheet that outlines the bartered activity, including the name of the business involved, Cannons commitment, commitment of the other party, value of the items involved in the agreement, and the value of Cannon's return on the bartered agreement. List persons involved and signature approvals. Once submitted to Depatmnet Business Administrator for review and approval, will be submitted to DAS.
	C		∅ Establish policies and procedures that ensure that Department management is aware of, and approves, the external partner and sponsor and other relationships that are not currently recorded in Cannon Mountain's financial activity.			∅ Need a list of Marketing Partnerships and copy of the agreements. Also collecting signature documents showing that Agency Management has approved the agreements. Requested by email to Greg Keeler on 8/16/16	***	Cannon business office to provide a copy of any agreements for any outside partnerships established along with noted authorization for approval to the Department Business Office for review and approval by the Business Administrator and Commissioner or the Director of Parks and Recreation. Completed once list is received.
11	A	Establish Controls to Mitigate Payroll Risks	Cannon Mountain should establish controls to mitigate risks in its payroll process including establishing controls for: Items B,C,D & E below.	Reports are being signed by supervisors weekly. Time clocks were reprogrammed April 2015, now able to give employees total hrs. for the day and pay period	2/1/2015		****	Per Department Business Administrator, a meeting was arranged with Agency HR Manager and Payroll Manager to complete responses to these recommendations.

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	B		Ø A supervisory review of employee hours worked. Each Cannon Mountain department manager should review reported work hours for their employees to ensure employees comply with payroll policies and the payroll appears reasonable.		10/31/2016		****	Internal Auditor confirmed with DRED Payroll Manager that Cannon supervisors and managers are reviewing, adjusting, and approving timecards. DRED payroll is providing Cannon supervisors with a timecard printout from each week in the pay period, for the supervisor to approve or adjust. They then provide DRED payroll with an exception report to clarify and needed adjustments. The final timecard printout is approved by Cannon Mountain Manager.
	C		Ø The mitigation of the risk resulting from the broad access provided to the Cannon Mountain payroll officer to make changes to the payroll without any review and approval control.		10/31/2016		****	Internal Auditor confirmed with DRED Payroll Manager that Cannon supervisors and managers are reviewing, adjusting, and approving timecards. DRED payroll is providing Cannon supervisors with a timecard printout from each week in the pay period, for the supervisor to approve or adjust. They then provide DRED payroll with an exception report to clarify and needed adjustments. The final timecard printout is approved by Cannon Mountain Manager.
	D		Ø Providing payroll information reports to Cannon Mountain that could be used to review payroll charged to its accounts.	Payroll information reports now provided to cannon Mountain payroll office for review each pay period.	10/31/2016		****	Internal Auditor confirmed with DRED Payroll Manager that Cannon supervisors and managers are reviewing, adjusting, and approving timecards. DRED payroll is providing Cannon supervisors with a timecard printout from each week in the pay period, for the supervisor to approve or adjust. They then provide DRED payroll with an exception report to clarify and needed adjustments. The final timecard printout is approved by Cannon Mountain Manager.
	E		Ø Proactively monitoring hours worked by seasonal employees to ensure those employees are provided all benefits that they earn, as further discussed in Observation No. 13.			Ensure the accuracy of reported hours	**	Monitoring evaluation is done. In consultation with DRED Human Resources Manager, decision made to pay benefits or fee. Per DRED Payroll Manager, the Jantek system used at Cannon to track hours, positions, and pay rate, lacked fully accurate record of accountability on the seasonal employees. Steps are being taken to correct the situation and determine retroactive adjustments. Work in progress.
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12	A	Mitigate State Payroll System Weakness	Ø Work with DAS to determine whether there is an available control within the State's payroll system that would allow for a review and approval control for payroll changes made by the Department's payroll officer.	Bi-weekly reports being sent to Cannon's payroll officer to ensure that funding is consistent with Cannon's employees	6/1/2015		****	
	B		Ø Establish formal policies and procedures for an effective review, analysis, and approval of the Department's bi-weekly payroll that would mitigate the weakness caused by the payroll officer's current access authorities and increase the likelihood that payroll errors or frauds would be prevented or detected in a timely manner.		10/1/2015		****	DAS has filled the Payroll Auditor position.
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13	A	Monitor Benefits Provided to Seasonal Employees	Ø Work with the State's Division of Personnel to determine the appropriate criteria for identifying seasonal employees who become eligible for benefits, by position or by time worked, and determine the appropriate process for notifying and awarding benefits to those employees.	The Department has worked with the Division of Personnel and the Attorney General's office and the criteria have been established and have been communicated to Cannon management. Seasonal employees who will be receiving benefits going forward have been identified. Employees are being identified in advance if they will be receiving benefits.	4/1/2016		****	Completed, pending report form Human Resources Administrator. Obtained a copy of RSA 98-A, outlining the requirements to qualify for benefits as a State Employee. Also, in the Manager's Manual, Section 6-3 outlines the need for time tracking on employees and the benefits accrued when meeting certain "time" thresholds.
	B		Ø Establish policies and procedures to effectively manage its seasonal employees' work time; to ensure that employees become eligible for benefits as part of a managed work schedule and not through lack of management's oversight of employees' work schedules and hours.	The hours worked status of all employees has been reviewed and employees identified	6/1/2016		****	Department HR Administrator has provided a worksheet for managers to maintain that automatically keeps track of total hours by each employee over a specified period of time. This is currently in use at affected parks.
	C		Ø Consult with appropriate parties to determine whether any liability exists for past benefit determinations and whether action is required at this time relative to benefits not having been provided during fiscal year 2014 and prior.	The Attorney General's office has been contacted and has responded by stating that there is no way to determine the liability and made reference to a letter to the Audit Division dated May 15, 2015 and June 9, 2015	9/4/2015		****	
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14	A	Review the Awarding and Reporting of Fringe Benefits	Ø Review with appropriate subject experts whether federal tax regulations require Cannon Mountain to report the monetary value of certain benefits provided to employees, volunteers, and affiliates.		1/25/2017		****	Per current approved Fee Package, Season passes issued to staff as a condition of their employment to include extending to non-employee volunteers/ambassadors and family members are not subject to fringe benefit taxation.
	B		Ø Evaluate its criteria for awarding these benefits to ensure that the benefits provided to employees, volunteers, and affiliates remain economical.		1/25/2017		****	Per current approved Fee Package, Season passes issued to staff as a condition of their employment to include extending to non-employee volunteers/ambassadors and family members are not subject to fringe benefit taxation.
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15	A	Improve Accountability and Transparency Over No-Cost Passes	Ø Improve the accountability and transparency over its issuance of no-cost passes.	Reporting issues resolved via tracking all season pass types, including team members. The number and type of passes made available for distribution.		Provide a statement from Cannon Mountain Manager, explaining the necessity of this practice.	•••	Cannon to issue a statement in next fee package submission explaining that providing these benefits is of significant value to the operation. This is a practice vital to the industry in order to attract employees and volunteers. (216-A-3-g)
	B		Ø Information on the use of no-cost passes should be accumulated, analyzed, and reported for management's review and approval.			Establish protocol of update and reporting monthly to the Commissioner, Director of Parks and Recreation, and the Department Business Administrator.	•••	Cannon Business Office to provide report of all no-cost passes for year end and update report monthly going forward. The year end report was provided by Mountain Manager, John DeVivo, and was posted on the shared drive. Auditor will follow up to assure that these totals will be provided on a monthly basis.
	C		Ø Management should ensure the analysis demonstrates their delegation of authority has been properly administered and the program is providing the intended results.			Department management will consult annually with Cannon management regarding the effectiveness of such issuances based on the new required reporting. Copy of Tracking List to Director of Parks and the Commissioner.	•••	Currently, Marketing Manager and Mountain Manager have the authority to issue complimentary passes for Marketing purposes or a trade with a local vendor for certain services. Information will be evaluated at end of season to determine intended results and confirm delegation of authority is proper. This information is found in Siriusware in summary form. Additionally, the detail can be obtained with a breakdown by recipient. Approved and signed documents reporting this statistical and financial information will be provided by the Mountain Manager. Marketing Manager to provide a sample to the auditor to complete this item. Auditor can follow up with Cannon to ensure the records for these activities are being kept as back-up to the Siriusware summary reports. This will complete the recommendation.
	D		Ø Consider whether the financial activity resulting from bartered services should be reported for Federal income tax purposes and considered for inclusion in Cannon Mountain's financial statements.	Request seeking tax-law guidance regarding the consideration of Federal IRS regulations should they be applicable. submitted to comptroller's office 8/24/15.	4/25/2016		••••	Per Observation #10, all bartered activity to be reported at year end. There are no tax implications with no-cost passes, due to limited issuances.
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16	A	Improve Accountability of Discounted Season Passes	Ø Improve accountability over discounted season passes.	We now specifically track all season pass types for statistical and demographical information relative to season pass distribution to add value to seeking new marketing and sales opportunities.	11/1/2014		••••	Full accountability in place.
	B		Ø Consider modifying its policies and procedures for recording season pass transactions in its point of sale system to capture additional information and provide additional accountability over its issued season passes.	POS system now tracks this for additional information.	10/1/2015		••••	Ticket Sales reports are available through the Siriusware system.
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17	A	Increase Use of Vouchers to Support Complimentary Tickets	Ø Cannon Mountain should limit the instances where complimentary tickets are issued without the support of a complimentary ticket voucher.	Access of complimentary tickets restricted to General Manager and Guest Services Manager and are the only authorized issuers of complimentary tickets for use as designated.	11/1/2014	Provide a report for all Season Passes given out.	••••	A Philanthropic Report was previously maintained and provided for FY15. Going forward, the Cannon Business Office will continue to provide this report every year. Internal Auditor will see that this information is maintained and provided. Mountain manager will be responsible for reviewing status of the information and record keeping.
	B		Ø Once limited, instances where free tickets are issued without the support of a voucher should be reviewed with the ticket seller and the supervisor who authorized the free ticket.	Ø Tickets are to be held in a secure location and accessed only by or with the permission of either authorized issuing agent. Location designated.	10/7/2016	Internal Auditor will request information on the current procedure followed in the issuance of free tickets and reconciliation of those agreements.	••••	Free tickets are no longer issued without the approval of the Mountain Manager or Marketing Manager, through the assignment of a voucher. This voucher is tracked through Siriusware.
	C		Ø Confirmation of the circumstances surrounding the issuance of a free ticket without a voucher should be documented by the reviewer of the transaction.		12/8/2016	Record of pre-issue of tickets will be provided to the Department Business Administrator. Information to be maintained by internal auditor.	••••	Free tickets are no longer issued without the approval of the Mountain Manager or Marketing Manager, through the assignment of a voucher. This voucher is tracked through Siriusware.
	D				12/12/2016	Internal Auditor will confirm available ticket count to begin the 2016/17 ski season. Information to be provided to the Internal Auditor.	••••	Internal Auditor has been provided with an inventory quantity of tickets available to start the 2016/17 ski season. For this season, there have been 12,610 tickets to begin the season and an order of 75,000 tickets had been placed. Will conduct random audits during the season.
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18	A	Improve Control Over Retail Operations	Ø Improve the controls over its retail operations.	Department Business Administrator is in the process of drafting a plan of action in conjunction with the new Internal Auditor to institute updated and where applicable, new inventory control policies and procedures.	12/13/2016		••••	Cannon did supply an Inventory Control Procedure and Flowchart for the inventory processes from start to finish. Cycle count program began 7/1/16. Results are posted to Cannon file on the shared drive.

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	B		Ø Implement appropriate control activities for the retail operations, including review and approval controls and segregation of duties controls.	Developed flowchart of retail operations outlining process for control of all retail activity.	12/13/2016		****	Internal Auditor conducted audit on the three main retail locations at Franconia Notch State Park. Adjustments were made in the system by Retail Manager at division. Flowchart of all ordering and receiving procedures was provided to Internal Auditor.
	C		Ø Implement monitoring controls to reasonably ensure that the implemented control activities are consistently performed and remain responsive to the risks they are intended to address.		12/13/2016		****	Retail Manager assisted the internal auditor in the inventory count process and provided explanation for variances found and procedures in operation. Suggestions for improvement were made by the internal auditor and discussed with Retail Manager. These suggestions included limited access to stock room inventory, cycle counting on a regular basis, and back-up for employees in charge of the inventory control system.
	D		Ø Management information reporting of the retail activity should be prepared and reviewed by Cannon Mountain management to ensure management remains aware of the profitability and the efficiency and effectiveness of the retail operations.	Weekly review of Siriusware reports, involving Qty on Hand, Weekly Sales, and Inventory Value. Managerial approval on all purchases.		Ø Establish regular intervals of audit control from internal auditor to ensure compliance and proper procurement and inventory control procedures.	***	Internal Auditor to review and audit all ordering and receiving procedures in place. Access to the Siriusware System Manager, was given to the Internal Auditor, to assist in tracking of retail ordering and receiving. Auditor will maintain contact with Retail Manager for explanations and documentation.
	E		Ø Periodic reporting and analyses of cost of goods sold, inventory levels, turnover, shrinkage adjustments, and other performance data should be provided to, and used by, Cannon Mountain and Department management to establish and monitor expected and actual performance of the retail operations.	Cycle counting has been implemented at retail locations.		Ø Department business administrator to establish formal reporting requirements from all concession operations. Post monthly cycle counts to the repository for Internal Auditor review.	***	Internal Auditor will review cycle count reports and verify the results through checking inventory counts in Siriusware and random audits at each location. Cycle counts are being posted to the shared drive as of 7/1/16.
	F		Ø Adjustments to inventory records based on periodic inventory control counts should be reported to, and reviewed by, a level of management independent of retail operations to ensure that Cannon Mountain's retail operations are operating as intended.			Ø Inventory adjustments will be signed off by Agency Business Administrator and audited by Internal auditor	***	Cycle count reports will be posted to the repository account in the shared drive for review by all management and internal auditor. Internal Auditor will follow up with Retail Manager to ensure the cycle count adjustments are entered into the system and approved by Business Administrator.
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19	A	Monitor and Enforce Contract Provisions	Ø Ensure contract provisions are effectively monitored and enforced.	Ø Policy stating Mountain Manager is responsible for contract monitoring. Internal Auditor to oversee compliance with the contract.		Ø Per Business Administrator, contract compliance is required. Compliance to include verification that what is stipulated contractually is performed. Oversight and verification to be provided by Mountain Manager and audited by the Internal Auditor. Create checklist to review and monitor contract. Get signature approval from management.	**	Internal Auditor constructing a checklist to monitor the compliance of the contract requirements.
	B		Ø Ensure that any delegation of contract monitoring responsibilities are understood and supported by appropriate policies and procedures to ensure the Department's interests are protected.	Seasonal audits of contract compliance by internal auditor added as part of scheduled on-site audit responsibilities.		Audits to be conducted once the ski season begins.	**	Copies of the contracts were supplied by Cannon to the Internal Auditor. Audit checklists will be prepared for each contract and will be used to conduct the upcoming audits.
	C		Ø Require food services concessionaire to adhere to all contract provisions intended to protect the Department's interests.	Achieved by continuation of Policy mentioned in 19A comment.		Audits to be conducted once the ski season begins.	**	Internal Auditor received copy of the concessions contract. Process can begin by end of October 2016. A checklist of requirements, from the contract, will be created by auditor and a portion of items on this checklist will be periodically audited.
	D		Ø Information received from its contractor should be reviewed for accuracy and compliance. Instances of noncompliance with contract provisions should be aggressively pursued and resolved.	A weekly recap report is provided to Cannon by concessionaire and is being posted on the shared drive repository for review by the Department Business Administrator.	7/1/2015		****	Weekly recap from concessionaire is available for review on repository by Mountain Manager, Agency Business Administrator, and Internal Auditor.
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20	A	Safeguard and Report State Assets	Ø Ensure that Cannon Mountain is complying with all State policies and procedures for the safeguarding and reporting of State assets.	Follow state procedures for procurement and reporting of assets.		Internal Auditor to schedule audit of all state assets at end of summer.	***	Blind audit of assets took place in September. Internal Auditor will compare what is reported to what is currently in inventory. Discrepancies will be verified and corrected if necessary.
	B		Ø Improve their communication of information related to the performance, results, and review of the related control activities.	Procedure document has been forwarded to Cannon. Review with the Public Works Project Manager at Department. Reviewing the procedure in place.	2/25/2016		****	An Inventory Reconciliation Procedure document was supplied and posted in the repository under Asset Inventory. This procedure was last updated on 2/25/16. Cannon also posted the Asset Inventory Listing, changes to inventory so far in FY 2016, and a list of forms used for inventory adjustments.
	C		Ø As part of its monitoring activities, the Department should ensure that information related to the real property improvements at Cannon Mountain is communicated to the Department's Design, Development and Maintenance section for its review and consideration, and for Department recordkeeping purposes.			Ø The Department Internal Auditor will also be engaged to proactively ensure proper accountability of all assets at Cannon Mountain via semi-annual audits. Audits will be scheduled through the season.	***	Internal Auditor will begin the process of ensuring inventory accountability, once the summer has concluded. The process will involve comparing Cannon inventory listings to what is shown on the master DRED inventory listing. Contact Public Works Project Manager at Department to supply a regular listing of real property improvement values. This list to be placed in the repository under Real Property for review by the Business Administrator. Internal Auditor will coordinate with department Accounting Manager for Asset list.
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21	A	Establish Controls Over Equipment Rental Inventory	Ø Establish controls over its equipment rental inventory to lessen the risk that inventory is not properly controlled and accounted for.	Department Business Administrator is in the process of drafting a plan of action in conjunction with the new Internal Auditor to institute updated and where applicable, new inventory control policies and procedures.	11/22/2016		****	Subcategory under #18. The auditor met with Rental Shop Manager in September, 2016 to review procedures of the rental shop. Internal audit write up has been completed. Physical inventory was conducted in the middle of Nov. and comparisons to the Siriusware inventory counts have been made. The overall accuracy of the inventory count system is 97.42%. The system reports used to compare to the physical counts were the ending inventory counts from the Spring of 2016. Many of the discrepancies involved old equipment that were not in inventory, but had yet to be removed from the system. A follow up on this will be conducted. Any discrepancies will be corrected.
	B		Ø Review and approve purchases of rental shop equipment.			Ø Prepare Monthly reconciliation and reporting of all inventory	***	The Internal Auditor will need to gain access of all Purchasing and Receiving records to maintain a monthly reconciliation of rental equipment. Cycle counts of equipment will be conducted during the ski season to ensure the accuracy of the Inventory Control system.
	C		Ø Prepare reconciliations to ensure purchased inventory is received and included in inventory records.		11/22/2016		****	Inventory Control is handled through the Siriusware computer system. All product, except for poles, is barcoded and marked with an inventory location and date of purchase. As product comes in, the barcodes are assigned, and the products are scanned into Siriusware. Physical inventory count confirmed the Siriusware inventory counts.
	D		Ø Implement reviews, including the results of comparisons of physical inventory counts to inventory records.		11/22/2016		****	Prior to opening day of the ski season, a complete physical inventory was conducted and the results were acceptable at 97.42% accuracy. Random Cycle Counts will be conducted during the ski season. Results to be posted on the Shared Drive.
Item #	Line	Observation Title	Recommendation	Actions To Date	Completion Date	Next Steps	Completion Status	Results
22	A	Establish Policies and Procedures to Review Filings of Statements of Financial Interests	Ø Establish policies and procedures to review the filing status of employees, and others associated with the Department, who are required to file Statements of Financial Interests.	Department Business Administrator has schedule of reporting requirements and is actively reviewing for compliance of filing requirements and enforcing schedule.	9/1/2015		****	Business Administrator maintains Agency Master Report Requirement list. This list is actively reviewed for compliance
	B		Ø Encourage required individuals to file timely Statements of Financial interests, including advising those individuals of statutory consequences if timely filings are not made.				****	Business Administrator maintains Agency Master Report Requirement list. This list is actively reviewed for compliance
Item #	Line	Observation Title	Recommendation	Actions To Date	Completion Date	Next Steps	Completion Status	Results
23	A	Establish Policies and Procedures for Monitoring Mittersill Project	Ø Establish policies and procedures for monitoring its contract with the FSC and for ensuring that the Mittersill Project proceeds as intended.	Ongoing per normal department asset management procedure, Cannon Business office will record the acquisition of any new assets per State asset reporting.	12/1/2016		****	Project has been completed. Monitoring completed. Assets were recorded as completed.
	B		Ø Receive and closely review FSC audited financial statements.	Guidance request submitted to comptroller's office 8/24/15 to determine how the Department should record the benefit we have been given from this contract with particular focus on how and when assets of the project are to be recognized..	12/1/2016		****	Project is completed. Ownership of assets to be recorded in total
	C		Ø Determine the appropriate accounting and reporting of the Mittersill Project, including the assets purchased and built by the Project.		12/1/2016		****	Per Mountain Manager at Cannon Mountain, FSC had the agreement to operate under a "non-exclusive use" and is not required to supply financial statements. Project completed. All committed funds have been expended by FSC
	D		Ø Maintain oversight for all construction activity at Cannon Mountain, and ensure that all construction activity meets the Department's standards and is suitably documented to allow for future operation and maintenance, and to properly account for and report those improvements.	Cannon Mountain Manager designated as responsible for oversight of all on-site construction activity and document as part of Mittersill Project Monitoring protocol as defined by the department.	12/1/2016		****	Oversight Committee has dissolved with the completion of the project.
Item #	Line	Observation Title	Recommendation	Actions To Date	Completion Date	Next Steps	Completion Status	Results
24	A	Determine Budgetary Status of Ski School and Concession Operations	Ø Consider the continued requirement and appropriateness of excluding its school and concession operations from the State's budget process. To increase transparency, accountability, and controls, Cannon Mountain should include its school and concession operations in its budget submissions	Ø The Cannon Mountain and Cannon Ski School/concession units will be included in the agency operation budget development phase for the FY18-19 Biennium	6/1/2015		****	Cannon Mountain Concession Budget has been included as part of the operating budget submission for FY18-19.
Item #	Line	Observation Title	Recommendation	Actions To Date	Completion Date	Next Steps	Completion Status	Results
25	A	Comply with Statutory Requirements	The Department should comply with statutory requirements.	A request to address Observation 5 by consolidating reporting was made by the agency through HB2 in the budgeting process. This language was removed from HB2	7/1/2015		****	Reporting consolidation legislation established in 2015 per HB-455-FN. Department will comply with statutory requirements as required in new Chapter.

Item #	Line	Observation Title	Recommendation	Actions To Date	Completion Date	Next Steps	Completion Status	Results
	B		∅ Review and assess the statutes affecting the Department's operations. If the Department determines that certain statutes no longer have relevancy, the Department should request the statutes be appropriately amended and seek legislative clarification for statutes in which the Department is unsure of the statutory requirements.	The State Park System Advisory Council met on August 27, 2015 to review Cannon's statutory requirements under their responsibilities for 10 Year Strategic Plan implementation and supported the introduction of housekeeping legislation in the House to address Observations 1,2,3,4,6 and 7. Legislative members agreed to serve as co-sponsors		Suggested bill language is being drafted by the agency to be provided to legislative staff for introduction this session. Sponsors for the legislation are being contacted	•••	Final reporting consolidation efforts will be submitted during the FY18-19 budget development session.
Item #	Line	Observation Title	Recommendation	Actions To Date	Completion Date	Next Steps	Completion Status	Results
26	A	Submit Quarterly Reports on Seasonal Passes Sold at Reduced Rates	∅ Include information regarding season passes sold at reduced rates to New Hampshire residents in its quarterly reporting to comply with RSA 227:14. The reports should be reviewed for accuracy and submitted timely.	Enhance reporting to include season pass sales data for reduced rate sales. Reporting is up-to-date, with reduced and team member passes included	11/1/2014		••••	Reporting in effect
	B		∅ If the Department determines that the reporting requirement no longer serves the purpose of the State and Department, the Department should request that the statute be appropriately amended.	The reporting requirement is sufficient. No further changes will be requested.	11/1/2014		••••	Reporting in effect